The University of Chicago

ROUND TABLE

A RADIO DISCUSSION OF

WHERE'S THAT WAR BOOM?

NEIL JACOBY · T. O. YNTEMA · MALCOLM SHARP

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ROUND TABLE

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NOTE

The supplementary information contained in the footnotes to the following text, developed by staff research, is not to be considered as representing the opinions of the ROUND TABLE *speakers. Following the transcript of the broadcast are questions which readers may wish to use for analysis and discussion. It is hoped that teachers and discussion leaders may find this additional service of the* ROUND TABLE *transcript helpful in their study of the subject discussed in the broadcast.*

WHERE'S THAT WAR BOOM?*

A UNIVERSITY OF CHICAGO ROUND TABLE BROADCAST

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* A radio discussion broadcast from the University of Chicago over the Red Network of the National Broadcasting Company, Sunday, April 28, 1940, at 1:30 P.M., Central Daylight Saving Time.

The ROUND TABLE, oldest educational program continuously on the air, is broadcast entirely without a script. Subjects are chosen because of their social, political, or economic significance. The program has no "ax to grind." In the selection of speakers, the effort is to provide a balanced discussion by participants who have special competence and knowledge. The opinion of each speaker is his own and in no way involves the responsibility of either the University of Chicago or the National Broadcasting Company.

WHERE'S THAT WAR BOOM?

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READER: They said it would take steel to make the warplanes that would drone between Berlin . . . . London . . . . Paris. They said it would take steel to make the warships that would cut through the North Sea and the Atlantic. They said it would take wheat to feed—and cotton to clothe—the armies that would march over the fields and valleys of Europe. They said it would take *American* steel . . . . *American* wheat . . . . *American* cotton . . . . and that we'd grow rich and have prosperity again. Well, it looked that way for a while, too—what with Mrs. Jones' son next door going back on the payroll at the steel mill. Yes—it looked as though Europe's war was going to be America's profit.

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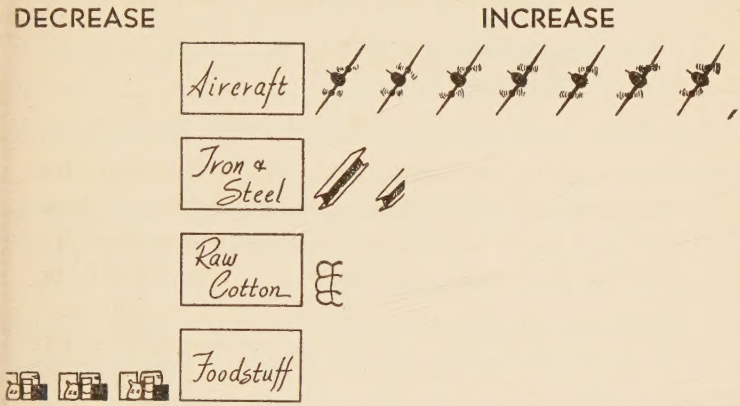
MR. JACOBY: Gentlemen, we haven't got a war boom now. We had a little one—a sort of boomlet—last fall, but it's all gone now.

MR. YNTEMA: Only a few industries are going to benefit from this war. Only a few have benefited so far. By and large, it hasn't added up to much.

MR. JACOBY: Yes, but I doubt that there are going to be any silk shirts for farmers in this war. Farmers are really losing. Tobacco and food exports are down, and so far it has meant less money in the farmer's pocket.



MR. YNTEMA: The war makes the situation pretty uncertain for the businessman. It hardly makes it worth while for him to take a chance.

MR. SHARP: Even though millions of tons of steel were blown sky-high, it would be at least a year before we Americans would see any war boom.

MR. YNTEMA: That's right, and there isn't any real boom from war anyway, in the long run.

MR. JACOBY: Those are rather challenging statements. Let's see how they fit in with the public's impression. Letters have been pouring in from listeners to the ROUND TABLE. Let's check our opinions with some questions that are being asked. Here's a doctor in Janesville, Wisconsin, who is saying:

> "Do we Americans want a boom? Is it advisable for us to promote a boom, or is it possible? How early in the last war did

the boom start? Is it wise to allow credits to European nations so as to run our own industries at full speed?"

And here's a farmer down in Independence, Kentucky, who says:

"What do you mean by a 'war boom?' Maybe it means one thing to you and another to me."

And finally, here's a merchant in Hattiesburg, Mississippi, who asks:

"Is our announced non-participation in war keeping us from enjoying a war boom? If a boom comes, will it be followed by a reverse boom or a depression?"

It seems to me questions of this kind are pretty much the same as those people were asking themselves back in September when this war started.

MR. SHARP: Yntema, you and Jacoby discussed this last fall. What conclusion did you come to then? And how does that conclusion look now?[1]

MR. JACOBY: If I remember, we made some forecasts that now appear rather good. We suggested that the stimulated production last fall was really building up inventories and that war orders actually were not taking away the goods. We agreed that the country was really having a "boomlet," not real prosperity.

MR. SHARP: How did people get this notion of a war boom?

MR. JACOBY: I imagine when a war breaks out people will always recall those days that followed 1914. They think about $2.50 wheat for the farmer—about the housewife going to the grocery and buying sugar for twenty cents and eggs at sixty-nine cents a dozen—and about wages of $15.00 a day paid in the shipyards.

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[1] *In the* ROUND TABLE *broadcast October 8, 1939, on "Prosperity versus Boom."*

MR. YNTEMA: Yes, but they forget that those things did not happen at once after the war started. They forget that between the outbreak of hostilities in August, 1914, and the middle of 1915 we had no real prosperity. For six months business got worse, and prices went down. It wasn't until the beginning of 1915—six months after the war started—that things began to pick up at all.

MR. SHARP: What happened after that?

MR. JACOBY: Well, our big boom came during 1916 and early 1917. I think it is important to remember also that it came before we actively got into the war.

MR. YNTEMA: That's true as far as prices are concerned. There was also a substantial increase in volume of business. During 1916, 1917, and 1918 we really had something of a boom.[2]

MR. JACOBY: I think we ought to get back to what the farmer and the industrialist in this country can expect as a result of what is going on in Europe. Just what has happened to business since Germany invaded Poland? Secretary of Agriculture Henry Wallace yesterday sent to the ROUND TABLE his statement on the situation. I think we ought to hear that statement read.

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[2] *The United States Bureau of Labor Statistics reports show the following average retail prices in American cities for four periods: postwar (1920), depression (1933), moderate recovery (1937), and contemporary (January, 1940).*

Commodity	*1920*	*1933*	*1937*	*1940*
Bacon (¢ per lb.)	52.3	22.3	41.6	28.2
Lard (¢ per lb.)	29.5	9.0	17.0	10.0
Eggs (¢ per doz.)	68.1	26.1	36.9	31.9
Butter (¢ per lb.)	70.1	27.3	40.8	37.6
Flour (¢ per lb.)	8.1	3.9	4.8	4.5
Potatoes (¢ per lb.)	6.3	2.3	2.8	2.5
Sugar (¢ per lb.)	19.4	5.1	5.6	5.4

READER: This war is certain to have the most serious repercussions on all agriculture. Since last September 1, the outside world has taken about 20 per cent less of our food and tobacco than it did during the corresponding period a year ago.

For political and economic reasons, England and France are not likely to buy nearly as much of our farm produce as we might wish. So far as possible they are going to try to buy within their own empires; from countries like Rumania and Turkey, for political reasons; and from countries like Argentina, where the English pound and the French franc will buy more than they will in this country.

The British and French wish to use their precious American dollars to buy things in this country which they can't get any place else, notably airplanes. If to win the war the British and French are forced to buy farm products from the United States, they will do so. Otherwise not.

It is all a question of hard, military, business necessity. Whatever happens, there is trouble ahead for American agriculture.[3]

* * *

MR. JACOBY: Yes, and part of the trouble is due to the last war: the expanded acreages in corn and cotton that were planted at that time. I think Secretary Wallace is going to have plenty of trouble with his farm surpluses even in the next year or two.

MR. YNTEMA: Yes, I think that's absolutely right. The situation in agriculture harks back to a considerable extent to the last war. The present war isn't apt to cure the difficulties; we are going to have to look for some more fundamental handling of the situation.

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[3] *From an address delivered before the National Farmers Union and the National Federation of Grain Co-operatives at St. Paul, Saturday, April 27, 1940.*

MR. SHARP: The morning's paper said that our pork exports are the lowest on record. Is that decline representative of our farm situation?

MR. JACOBY: Well, we know that tobacco exports have dropped very drastically. We know that wheat prices are down; that wheat exports have declined.[4] It seems to me that all over the farm field the first effect of the war has been a reduction in foreign demand for our agricultural products.

MR. YNTEMA: Cotton exports do constitute one of the few exceptions. Cotton is one of the few lines of farming in which I think there is going to be some benefit to the farmer.

MR. JACOBY: Interestingly enough, while the belligerent nations—principally France and Britain—are trying to conserve their American foreign exchange in order to buy planes and war materials, and are buying their foods from other countries—which adversely affects our farmer—they are also trying to stimulate their exports to us. I have in mind the fact that the recently adopted British budget lays heavier taxes on home consumption of whiskey and spirits. They are trying to consume less whiskey in order to export more to

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[4] *The Department of Commerce reports the following trend for the following six-month periods (each ending in February of the year indicated):*

Value of Exports in Millions of Dollars

	1940	*1939*	*1938*
Wheat	6.1	22.0	45.8
Corn	16.2	18.6	25.1
Leaf tobacco	28.9	97.0	106.9
Meats and lard	30.2	24.6	23.9
Raw cotton	257.9	115.6	219.8

us. Thus the more we drink the more planes they will be able to pay for.[5]

MR. SHARP: Yntema, you have been working in the steel industry, advising a steel corporation with its problems. How about the effect of the war on steel exports?

MR. YNTEMA: Well, the war today is a war with steel: cannon, trucks, railway equipment. It is true that for the past several years steel exports have been increasing, and there has been a notable jump in steel exports in the last few months. There has been, perhaps, an increase of about a million tons in the last six months as compared with the same period preceding.[6]

MR. JACOBY: The average person doesn't think in terms of tons or dollars; he wants to know what this jump means for him. What does it mean in terms of jobs?

MR. YNTEMA: That's hard to say precisely. I suppose the increased demand means from fifty thousand to one hundred thousand new jobs.

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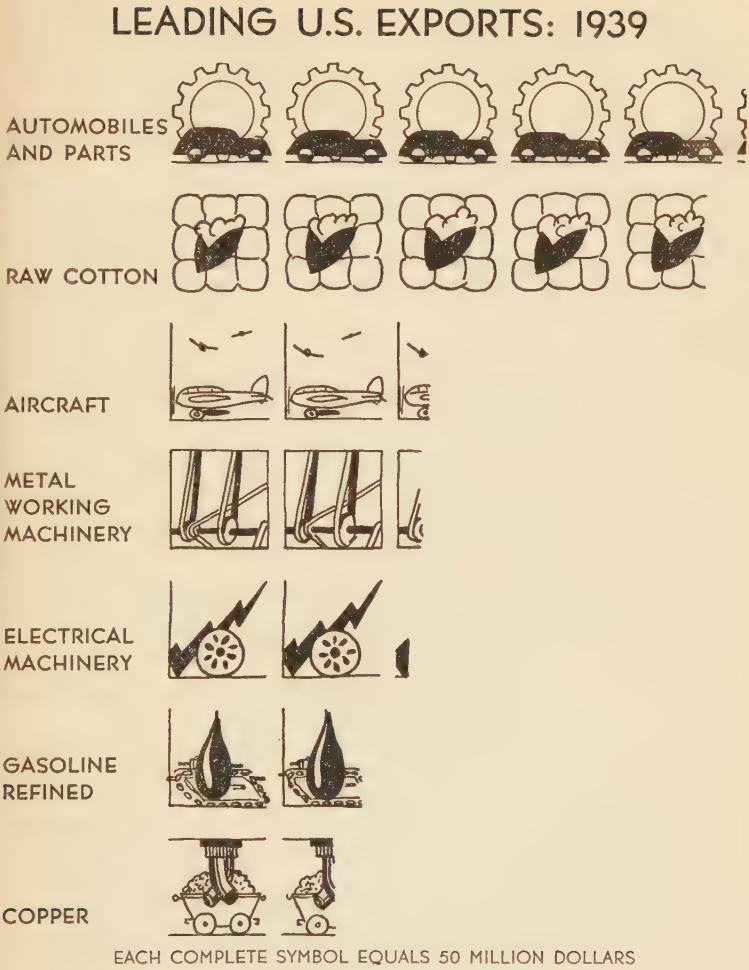
[5] *Britain's first full-year wartime budget was presented to the House of Commons April 23 by Sir John Simon, Chancellor of the Exchequer; an expenditure of £2,667,000,000 is anticipated, of which two billion pounds is for war expense, the remainder for regular, normal costs. At current exchange rates the full sum amounts to approximately nine and one-half billion dollars.*

[6] *From September 1, 1939, through the end of February, 1940, exports of iron and steel products from this country amounted to 2,060,000 gross tons, more than double the 1,002,500 tons shipped in the preceding six months, not including exports of scrap iron and steel. The value of iron- and steel-mill products exported, including scrap, rose from 86.1 million dollars in the six months' period September, 1938, through February, 1939, to 175.6 million dollars in a similar 1939–1940 period, and of this increase of nearly ninety million dollars, only seven million was in the scrap category.*



MR. JACOBY: Is that war increase in employment important, as compared with the increase that might result from increased domestic demands?

MR. SHARP: Total production in all our steel plants is going down.

MR. YNTEMA: That's right. The exports are not enough to maintain the volume of production. Look at it from another point of view. After all, what's fifty thousand jobs compared with ten million unemployed?

MR. JACOBY: The thing that impresses itself on my mind is that if we got a very modest increase in domestic demand for steel and machine tools and chemicals—some of the industries that have been most directly stimulated by the war--we'd get far more effect than we do from the war itself.

MR. SHARP: What are the figures about these other industries? Are they really impressive?[7]

MR. JACOBY: The figures show that in the first three months of this year exports were up about 350 million dollars as compared with the first quarter of 1939—before the war.[8]

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[7] *Some of the most marked export increases of the period September, 1939, through February, 1940, as compared with a similar 1938–1939 six months' period are as follows:*

Value of Exports in Millions of Dollars

	1938–1939	*1939–1940*
Aluminum	3.9	15.3
Refined copper	37.0	59.0
Metal-working machinery	49.6	70.7
Chemicals	65.8	106.8
Aircraft (engines and parts)	31.1	92.8

[8] *Total exports from the United States during the first half-year of the war amounted to almost two billion dollars ($1,949,000,000) as compared with less than one and one-half billion in the same period in 1938–1939 ($1,460,000,000), and with about one and three-quarters billion in 1937–1938 ($1,798,000,000).*

MR. YNTEMA: A billion or a billion and a half all told, perhaps. But what's that when you figure it up? A billion and a half dollars is less than the change in inventories that businessmen can bring about within six months merely because of a change in optimism.

MR. SHARP: How about this vast increase in airplane production noted in the morning paper—some 150 million dollars a year. What does that amount to, say, compared to a good automobile business?[9]

MR. YNTEMA: The airplane rise looks spectacular, seen just by itself, but from year to year we may have a change in production of as much as a million cars in the automobile industry. That's three to five times as big as the "boom" we have had in the airplane industry.

MR. JACOBY: Or put it another way. We have had an expansion in airplane exports of about thirty or forty million dollars in this first quarter. Now we could easily expand employment just as much—and have done it—by spending that much more for WPA.

MR. YNTEMA: That's right!

MR. SHARP: Then, too, I read this morning that present expenditures on housing are falling off at the rate of a third of a billion dollars a year. That alone would cancel out one-third of your increase in exports.

MR. YNTEMA: That's right. We *did* have something of a boom, partly because of building up of inventories last fall and win-

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[9] *Aircraft exports during the first quarter of 1940 (January through March) amounted to 67 million dollars, nearly as much as the whole of 1938 and three and one-half times the figure for the first three months of 1939. Exports went to seventy countries, with France, Great Britain, and the British dominions taking by far the largest share.*

ter. But business has declined the last couple of months. It has declined in face of large exports.

MR. JACOBY: Business is down, as a matter of fact, about eighteen per cent from the peak last December, and it still seems to be falling.[10]

MR. SHARP: The war is exerting a restrictive effect as well as a boom effect on industry, do you think?

MR. YNTEMA: That's undoubtedly true; not all business has benefited from this increase in war demand. There are many lines of goods which haven't felt any stimulus at all. Businessmen just don't like to take a chance when they don't know what lies ahead. And the fact is that they don't know what lies ahead.

MR. JACOBY: What we should seek to emphasize, then, is that not only does war bring expanded demands in a few specialized industries—chemicals, aircraft, machine tools, and steel which we have mentioned—but it has restrictive effects. It has had them already with respect to foodstuffs; it has had them already with regard to tobacco and certain other luxury products.

But aren't there some other restrictive effects that war has upon our own domestic demand?

MR. SHARP: Automobile sales are going pretty well compared with housing. Does that show something about our psychology?

MR. YNTEMA: I think it shows this, in part: automobiles are bought and paid for within a relatively short period—say a year or two at most, ordinarily; housing involves commitments of a longer

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[10] *The index of "Business Week" magazine shows a decline in business activity since the latter part of February, 1940. A brief spurt in mid-February had checked a steady decline since the first of the year, at which time the index figure was around 125 as compared with 105 at the present time.*

period. People who buy houses take more than a year to pay for them. There are many people who probably would be building houses today if it were not for the uncertainties arising out of the war. This thing comes pretty close home, you know.

MR. JACOBY: You mean that uncertainty is one thing that tends to counteract the expansion in demand for certain war materials?

MR. YNTEMA: It certainly is!

MR. JACOBY: For instance, the man who has a plant manufacturing silk dresses or hosiery—luxury articles—is certainly going to feel uncertain and doubtful about expanding his plant at a time like this. He doesn't know when his foreign markets may be cut off altogether. He doesn't even know when people here at home may stop being able to buy his goods.

MR. YNTEMA: Sometimes we hear it said that the industries of the country are going to benefit from the war abroad, from increased exports. It's true that agriculture probably won't benefit the way it did in the last war, but neither will industry, not immediately at least. It takes time for industry to readjust itself. These war materials are fairly complicated, unless they are just raw goods.

MR. JACOBY: Very true. Looking back over the history of production in this country, we find, as a matter of fact, that the outbreak of war has almost invariably been associated with a downward trend in production, while demands were shifting from peacetime goods to wartime goods. In other words, a depression at the beginning of war is not an unusual event.[11]

MR. SHARP: You gentlemen see a great many differences between our situation today and our situation in 1914.

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[11] *Thus business indices in America showed definite drops from mid-August, 1914, to November, 1914, during the period of readjustment.*

MR. YNTEMA: Yes, that's absolutely right. The impact of the European war is very different today from what it was in 1914.

MR. JACOBY: And most of those differences, I think, tend in the direction of preventing expansion of European demand for our products.

For instance, we are now a creditor nation. Instead of owing European investors billions of dollars they owe us a lot of money.

MR. YNTEMA: What effect would you expect that to have on the situation?

MR. JACOBY: When the last war broke out, one of the first actions that was taken by the French and British governments was to take over the American securities which their residents held, and to sell those securities in order to get money to buy equipment and war supplies here. Now they don't have as many securities as they used to. They have some, and, of course, the government has been selling them.

MR. YNTEMA: Another point in that connection is the fact that we have so large a share of the world's gold. Gold can be shipped and used to buy war materials. We already have so much of it that other countries cannot use much gold.[12]

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[12] *With total gold reserves of governments and central banks in the world estimated at nearly twenty-six billion dollars, the approximate distribution is as follows (1938 figures):*

United States	*$14,500,000,000*
Great Britain	*2,700,000,000*
France	*2,435,000,000*
Holland	*1,000,000,000*
Switzerland	*700,000,000*
Belgium	*580,000,000*
Spain	*525,000,000*

The remainder being distributed in amounts of less than one-half bil-

MR. JACOBY: Yes, yet I heard a senator say the other day that France and Britain have enough gold and enough bank balances in this country to sustain their present rate of war buying for about two years. In other words, they won't be out of funds for some time yet, if he is right about his figures.[13]

MR. YNTEMA: Yes, but the present rate of war buying is not so very large. The funds which the Allies have wouldn't last them very long if they really started buying at a rate commensurate with large-scale activity in the war.

MR. SHARP: At any rate, our situation is very different from what it was in 1914 in that respect. Moreover, we now have our Johnson act which prohibits credits to foreign nations in default on their war debts to us.

MR. YNTEMA: That's sort of a restriction. It won't be important as long as the Allies don't buy at a very large rate, but if we should try to ship three billion or four billion dollars worth of war goods a year . . . .

MR. JACOBY: As we did in the last war.

MR. YNTEMA: . . . . then that restriction would become important. Whether or not the Johnson act may be repealed is an im-

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lion dollars per country. Germany has a gold reserve estimated at thirty million dollars.

In 1939 gold imports into the United States exceeded gold exports by three and one-half billion dollars, increasing the American holdings listed above by that figure.

[13] *The Federal Reserve Board estimated that, as of August, 1939, Great Britain possessed $3,330,000,000 in gold reserves, dollar balances, and securities negotiable in this country, France $3,500,000,000, Canada $1,070,000,000, and other French and British territories $540,000,000, giving a total for France and the British Empire of $8,440,000,000, as compared with $160,000,000 for Germany.*

IMPORTS OF "NECESSARY MATERIALS"

PER CENT INCREASE OF 1939 OVER 1938

EACH COMPLETE SYMBOL EQUALS 10 PER CENT

For our defense uses there are certain strategic and critical war material imports. The supply of these must be carefully guarded and the sea lanes on which they are carried must be kept open. . . . . A major piece of military planning on the part of the United States is to determine America's ability to have these supplies in adequate quantity, either through accumulated reserves or through naval plans to assure access to foreign sources of supply.

—Chairman of the Foreign Commerce Department Commission, September 14, 1939

portant factor in judging the effects of the war in Europe on our own economy.

MR. JACOBY: There's another factor we haven't mentioned yet. That is that since the last war ended the leading nations have pursued a policy of self-sufficiency. They have tried to grow all their own foods. That means that as this war breaks out those countries are far less dependent upon the goods we ship them than they were in 1914.

MR. YNTEMA: They have adopted self-sufficiency not only in agriculture but also in industry. Germany and the Allies are all better equipped to take care of their own needs for war equipment than they were before.

I'd like to raise another question in connection with this. It seems to me the most important difference in the American situation now, as compared with 1914, is the difference in internal business conditions in this country. We now have a large number of unemployed; we have a large government deficit; we have a fundamentally rather unhealthy situation, with large unused resources.

MR. JACOBY: Doesn't that boil down to this: that with eight or nine or ten million unemployed (the figure is large whatever it is) we can expand production a great deal more without increasing prices—without running into what people call "bottle-necks"?

MR. YNTEMA: We could. It would depend partly upon what trade unions and speculators would do. We already have had a little boom because people thought prices would be higher, without any really fundamental change in underlying conditions.

MR. SHARP: With conditions being different than in 1914, do you expect a boom?

MR. YNTEMA: Do you mean a boom next year, or within the next two or three years? With respect to the next year, I think it

rather unlikely that we will get much stimulus from foreign demand.

MR. JACOBY: Even though the war should become much more destructive?

MR. YNTEMA: Yes, I'd say that for two reasons. I can't see any great increase in demand for our agricultural products. And I don't think it would be possible for industries to make all the equipment that would be needed in so short a period. We'd probably get a considerable expansion in some lines—in the building of airplanes and in the production of steel products and some other lines—but we couldn't make much of the kind of materials that would be needed so soon.

MR. JACOBY: Incidentally, there is an interesting fact that is sometimes overlooked. Our big expansion in the last war came—as we mentioned—in 1916 and 1917. Then when we actively went into the war and started to raise an army and send it across the waters, the level of production here fell.

MR. YNTEMA: Yes, it takes time to adjust industrial processes to war demand.

MR. SHARP: I suppose the question of a future war boom depends on "boom" and "war." It depends on what kind of a war we are going to have; whether it is going to speed up; whether it is going to stop. I don't suppose we want to go into that question this afternoon, but we'll have to pay some attention to it.

MR. YNTEMA: I think we can arrive at one answer: that within the next year it is highly unlikely that, under almost any sort of imaginable conditions, we get a very substantial kind of a war boom.

MR. JACOBY: Yes. Let's take another case, gentlemen. Supposing that peace should come within a couple of months—a kind of

peace that people really believed in and had faith would persist—what effect would that have upon our domestic level of business?

MR. SHARP: I have a very unexciting opinion of that sequence of events. I shouldn't think it would have much effect, probably.

MR. JACOBY: The immediate effect, it would seem to me, would be that we would certainly stop producing airplanes and steel at the present rate, and we wouldn't start our residential construction and building automobiles as fast as we were reducing these other industries.

MR. YNTEMA: We'd have a short depression in process of adjustment if peace should come suddenly.

MR. SHARP: Suppose that other thing happens and the war speeds up. That question will be put up to us when the issue of repealing the Johnson act is discussed.

MR. JACOBY: I think the answer there is definitely no. It seems to me that war prosperity, as we call it, is purely an illusion.

MR. YNTEMA: I'd say it's an illusion in this sense: if we have a war boom, some people will get jobs, some businessmen will make money, and some politicians will have surcease from worries which beset them.

MR. JACOBY: Well said!

MR. YNTEMA: On the other hand, we are going to pay for it in the long run. After all, there are adjustments to be made. People are out of work in this country; they are looking for jobs and can't get them. We can't find businessmen to take the risks of business, and until we can induce men to go into business, take the risks of business, and hire people now out of work, we are in a serious situation. This war boom is going to do very little indeed to right that situation; in fact, it's going to make it worse. It's going to cover it up.

MR. SHARP: The 1929 boom was a war boom, too, from some points of view, was it not?

MR. JACOBY: I think there is something to be said for that—the 1929 to 1932 depression was a war depression.

MR. SHARP: Exactly!

MR. JACOBY: In other words, when it all came out in the wash, we sacrificed as much in terms of standard of living and production as we gained temporarily through the stimulated war demand.

MR. YNTEMA: I think we sacrificed a good deal more than we gained, and there's an interesting fact that businessmen generally—even those who, apparently, would gain from the war industries—don't want the war.

MR. JACOBY: I've noticed that in reading some of the reports made by presidents of big corporations in America to their stockholders.

MR. YNTEMA: Yes, if you took a poll of the steel industry today I think you'd get practically a unanimous reaction that "we'd be very glad to get along with peacetime demand without war demand."

MR. JACOBY: I'm hopeful enough to think that most people want to bring about full employment in our country without abnormal war demands, and also without government spending and further debt.

MR. YNTEMA: There's another interesting situation to notice. Suppose that the war should finally involve us. Not only would we have the sort of difficulties we have been discussing so far—maladjustment of industry—but we'd have a thousand and one regulations. We'd move a long way away from the sort of freedom we need in our economy, and toward regulation which would be hard to throw off.

MR. SHARP: I take it you gentlemen think we haven't a boom, re not likely to get one, and don't want one.

MR. JACOBY: I agree with you. I think we come back to what we stated earlier: that there is no general war boom at the present me, excepting in a few industries. The boomlet we had last fall is one. The stimulus that the war has so far given to aircraft and ome other industries has been offset by reduced demand for American foodstuffs and luxuries, and also by the uncertainty created for the American businessman. I suggest that business would probably be better today if there had not been a war.

MR. SHARP: I certainly agree.

MR. JACOBY: We can't, furthermore, see a boom developing, at least within a year, even though the war should become very destructive. And finally, we don't want a war boom in any case, because the war will really prevent us from solving the problem of unemployment in a normal way, and that is the essential element in real prosperity.

OBJECTIVE QUESTIONS FOR EXAMINATION

The answers to the following questions may be found in the text of the broadcast, and page references are provided to assist in locating the answers.

*

1. Give two examples of the commodity prices which characterized the extremes of the boom during the World War. Page 4.
2. What was the immediate effect of the outbreak of war in 1914 on American business? Page 5.
3. According to the statement of Secretary Wallace, how has the war affected American exports of agricultural commodities? Page 6.
4. What increase in steel exports has been registered over the past half-year period? Page 8.
5. This increase means approximately what in terms of jobs? Page 8.
6. What is the approximate anticipated increase in export trade for 1940? Page 18.
7. The expansion of aircraft exports amounted to what figure for the first three months of 1940? Page 11.
8. How does the Johnson act affect a possible war boom? Page 15.
9. First wartime production to be stopped in case of a sudden peace in Europe would be what? Page 19.
10. The stimulus the war has given to some goods has been offset by a reduction in demand for what type of commodity? Page 11.

QUESTIONS FOR ANALYSIS AND DISCUSSION

The following questions of wider scope, intended for discussion, are suggested by the broadcast, and answers may be found in the literature on the subject listed in the section "Suggested Readings," found on page 24.

*

1. From your own personal experience, could you say you have experienced any "war boom"? If so, was it as a consumer or as a producer-seller?
2. If the European war should tomorrow really open up in its full destructive power, do you think America would experience a real boom in production? If so, what particular goods do you think would benefit most? How long do you think the boom would keep up?
3. Would such a war boom, in your opinion, be helpful to the American economy? In what ways? If you think it would be harmful, specify why.
4. Exports of food products have gone down as a result of the first months of the European war. This contrasts sharply with the $2.50 wheat of the World War days. Why do you think there has been no boom in farm products this time? Do you think there may yet be a sharp rise in the export of farm produce? Discuss.
5. Compare and contrast America's economic position (both internally and internationally) in 1939 with that of 1914. What similarities do you find? What differences?
6. If America must grant credits to European belligerents to ensure wide purchases of our goods, do you think such credits should be made available? Discuss.
7. If the government had power to do so, do you think it ought to curb any war boom development? If so, how do you think it should be done?

SUGGESTED READINGS

"War Makes It Sellers' Market," *Business Week*, September 9, 1939. *A review written just after the outbreak of the European war, with particular attention to the differential character of the American economy in 1939 and 1914. Illustrated with two pages of special charts.*

"Six Months of Economic War," *Business Week*, March 2, 1940. *A special report to business executives, analyzing the impact of the war on American business. Illustrated with charts.*

KROUT, JOHN A., editor, "The Effect of the War on America's Idle Men and Idle Money," *Proceedings of the Academy of Political Science*, January, 1940. *A series of articles by leading economists and financial experts on the effect of the European war on America's economy.*

JANEWAY, ELIOT, "War Boom or Bust?" *Nation*, October 21, 1939. *A study of the possibility of the war's opening up bottle-necks in American industry, with the conclusion that war boom expectations may well outrun war boom facts.*

COLLINS, EDWARD H., "American Business and the War," *Current History*, November, 1939. *A survey of war boom possibilities, concluding that expansion of war industries must depend on the length of the European war and the character it finally assumes.*

"The United States and Foreign Trade," *Fortune*, April, 1940. *A round robin discussion of some of the broader implications of foreign trade, with which the possibilities of a large war boom are bound.*

YNTEMA, T. O., JACOBY, NEIL, and KRUEGER, MAYNARD, "Prosperity versus Boom," *University of Chicago* ROUND TABLE, October 8, 1939. *The* ROUND TABLE'S *first discussion of the war boom problem.*

The Listeners' Round Table . . . .

Letters to the ROUND TABLE *frequently contain sidelights on the subject matter discussed on the air. These comments are from letters received following the broadcast April 14, "Scandinavia on the Spot."*

*

Think about Us

Your discussion today got me so mad I could fight all of you. When you go talking foreign affairs it will just agitate this country into war. I think you of the University should drop this war and think about our own affairs and try to help us get the millions back to work instead of pushing our nose in that war. . . . .

B. H., Colorado

*

Gangsters

I thought the remark that two gangster nations were merely looking for a place to fight, as a reason for Norway being invaded, coming especially from Chicago, very poorly thought out. We have an institution in Orillia [Ontario] for people with a mentality like that. If Al Capone was still the ruler of Chicago where would the people of that city be today? Fortunately, some law-abiding person was able to topple him from his throne, the same as Great Britain and France have the guts to try to topple Germany from the throne. They are not willing to sit back and watch Germany overrun all the weak countries of Europe.

Regarding the crack about the war debt! It reminds me of a loan you get from some firms. You keep paying it back and at the end of a year you still owe more than the original debt. If Britain had paid back the full loan to the U.S.A. they wouldn't be in a position today to stop Germany. As it is they are not nearly so wealthy as the U.S.A. and how your country can sit back and watch that maniac Hitler destroy cities, etc., the way he has been doing, just because there is a large body of water separating you from the events, is more than I can figure. No more could I imagine a very strong man standing by watching a policeman try to arrest a brutal killer, without lending a hand.

B. D., Ontario

*

Kick-Back

Is it not strange that the Allies should begin to make a fuss over ore shipments from Narvik to Germany at the very time when such shipments could be dispensed with for the summer season? Is it not strange that Norway should neglect to patrol her coast, and, without firing a shot, allow the Allies to mine her territorial waters

in plain violation of international law? The intention to violate her neutrality was an open secret. Thus by violating her own neutrality Norway gave Germany an internationally legal excuse for landing armed forces.

An American correspondent said recently in a radio broadcast from Paris, in commenting on the German invasion of Norway: "That was just what the Allies hoped that Germany would do." Of course, the Allies had not expected Germany to act so quickly. It looks like a case of one gangster-mob being quicker on the draw than the other gangster-mob had expected.

What the Allies hoped to accomplish, then, was to put the blame for invading Norway on Germany and, while the Germans were busy fighting the Norwegians, try to steal the Swedish iron mountains and continue the war against Germany on Scandinavian soil. It is too bad for the Scandinavians. But is it Great Britain's fault that the Scandinavian countries are small?

After the war is won by the virtuous Allies the people of the United States will be allowed to help the Scandinavians to reconstruct what they can out of the mess. The war, of course, is really fought by the Allies to save America.

G. A. L., Illinois

*

The Last Ditch

It seems to me that you undervalue the inborn resistance in the Scandinavian peoples to any attempt to conquer their homeland. They have, as you know, a very small army and air and sea fleet, but I feel that they will resist the German invaders to the last ditch.

Whatever the outcome of this struggle may be, Norwegians cannot be made slaves, and the few traitors there may be will in time be dealt with as they deserve.

A. W., Illinois

*

Wonderland

If you want to have an honest word of comment I must start with the assumption that you gentlemen . . . . went through an intelligence-shrinking bath, or that you put on glasses, in order to be able to see funny.

It is deplorable that intellectuals of your high elevation are from fright catering to the mob and its superficial sentiment. Not fright of Germany, the seat of very high intelligence (in fact, too high for us Americans to digest), but more for fright of the multitude—the ignorant American mob. Be it said to you: Germany does not want to fight England, nor does England want to fight Germany. Both countries are afraid of each other since they became equal in power. What is missing is the will to compromise.

F. S., New York

CHANGE OF TIME

Effective April 28

*

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50. *America's Neutrality Act*
51. *The Outlook for Europe*, Beneš, Wright, Schmitt
54. *The National Income*
55. *The Birth Rate and Business*
56. *Hitler's Economic Motives*
57. *"Room to Live!" Population Pressure and Aggression*
58. *America and the Next War*
59. *Have We Helped the Farmer?*
60. *Refugees*
61. *If Europe Paid Its Debts*
62. *Crisis in Coal*
63. *What Do You Mean—Americanism?*
64. *Russia and Europe*
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68. *Our Liberties Today*
69. *Crisis in the Orient*
70. *Relief and the WPA*
71. *Out of School—Out of Jobs*
72. *The Line-up for 1940*
73. *Will England Save Hitler?*
74. *Is the Consumer Getting His Nickel's Worth?*
75. *Did Congress Revolt?*
76. *Europe on the Verge.* August 27
77. *War Comes.* September 3

Nos.

78. *Will There Be a Blackout of Peace in America?* September 10
79. *The High Cost of Living*
80. *What Will Congress Do?*
81. *How Will We Get Recovery?*
82. *Prosperity vs. Boom*
83. *International Law—What Is It?*
84. *The Economic War*
85. *What's the War All About?*
86. *Testing Public Opinion*
87. *After the Next Armistice—What?*
88. *Taxes*
89. *Propaganda*
90. *Russia Marches*
91. *Can Capitalism Survive the War?*
92. *Government and Business*
93. *When Tomorrow Comes*
94. *1939: Crisis Year*

1940

95. *Wages and Hours in the North and South*
96. *Is Our War News Accurate?*
97. *The Far East—Backdoor War?*
98. *The Jews*
99. *Economic War Between the States*
100. *Is Russia Losing in Finland?*
101. *Are Tariff Walls Blockading America?*
102. *War Myths*
103. *Economic Issue and 1940*
104. *Is America's Economic Frontier Closed?*
105. *Must the World Unite?*
106. *Can We Protect America?*
107. *The Census*
108. *The Archbishops Look at America*
109. *Scandinavia on the Spot*
110. *Third Term?* April 21

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2:30 P.M. EASTERN DAYLIGHT SAVING TIME

City	*Call Letters*	*Kilocycles*	*City*	*Call Letters*	*Kilocycles*
Boston, Mass.	WNAC	1230	Providence, R.I.	WJAR	890
Buffalo, N.Y.	WBEN	900	Schenectady, N.Y.	WGY	790
New York, N.Y.	WEAF	660	Wilmington, Del.	WDEL	1120
Philadelphia, Pa.	KYW	1020	Worcester, Mass.	WTAG	580
Portland, Me.	WCSH	940			

1:30 P.M. EASTERN STANDARD TIME

Allentown, Pa.	WSAN	1440	Jacksonville, Fla.	WJAX	900
Asheville, N.C.	WISE	570	Johnstown, Pa.	WJAC	1370
Baltimore, Md.	WFBR	1270	Lakeland, Fla.	WLAK	1310
Charleston, S.C.	WCSC	1360	Miami, Fla.	WIOD	610
Charlotte, N.C.	WSOC	1210	Raleigh, N.C.	WPTF	680
Cleveland, Ohio	WTAM	1070	Richmond, Va.	WMBG	1350
Columbia, S.C.	WIS	560	Rochester, N.Y.	WHAM	1150
Columbus, Ohio	WCOL	1210	St. Petersburg, Fla.	WSUN	620
Detroit, Mich.	WWJ	920	Tampa, Fla.	WFLA	620
Grand Rapids, Mich.	WOOD	1270	Washington, D.C.	WRC	950
Greenville, S.C.	WFBC	1300	Zanesville, Ohio	WHIZ	1210

1:30 P.M. CENTRAL DAYLIGHT SAVING TIME

Chicago, Ill.	WMAQ	670

12:30 P.M. CENTRAL STANDARD TIME

Amarillo, Tex.	KGNC	1410	Milwaukee, Wis.	WTMJ	620
Birmingham, Ala.	WBRC	930	Minneapolis and St. Paul, Minn.	KSTP	1460
Bismarck, N.D.	KFYR	550	Nashville, Tenn.	WSM	650
Duluth, Minn., and Superior, Wis.	WEBC	1290	New Orleans, La.	WSMB	1320
El Paso, Tex.	KTSM	1310	Oklahoma City, Okla.	WKY	900
Evansville, Ind.	WGBF	630	Omaha, Neb.	WOW	590
Fargo, N.D.	WDAY	940	Pittsburg, Kans.	KOAM	790
Jackson, Miss.	WJDX	1270	St. Cloud, Minn.	KFAM	1420
Kansas City, Mo.	WDAF	610	St. Louis, Mo.	KSD	550
Little Rock, Ark.	KARK	890	San Antonio, Tex.	WOAI	1190
Louisville, Ky.	WAVE	940	Shreveport, La.	KTBS	1450
Madison, Wis.	WIBA	1280	Terre Haute, Ind.	WBOW	1310
Mankato, Minn.	KYSM	1500	Wichita, Kans.	KANS	1210

11:30 A.M. MOUNTAIN STANDARD TIME

Albuquerque, N.M.	KOB	1180	Phoenix, Ariz.	KTAR	620
Billings, Mont.	KGHL	780	Pocatello, Ida.	KSEI	900
Boise, Ida.	KIDO	1350	Pueblo, Colo.	KGHF	1320
Butte, Mont.	KGIR	1340	Salt Lake City, Utah	KDYL	1290
Denver, Colo.	KOA	830	Tucson, Ariz.	KVOA	1260
Helena, Montana	KPFA	1210	Twin Falls, Ida.	KTFI	1240

10:30 A.M. PACIFIC STANDARD TIME

Bakersfield, Cal.	KERN	1370	San Diego, Cal.	KFSD	600
Fresno, Cal.	KMJ	580	San Francisco, Cal.	KPO	680
Los Angeles, Cal.	KFI	640	Seattle, Wash.	KOMO	920
Portland, Ore.	KGW	620	Spokane, Wash.	KHQ	590
Sacramento, Cal.	KFBK	1490	Stockton, Cal.	KWG	1200

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NICHOLAS DOMAN
Research Assistant in Political Science, University of Chicago

IRVING PFLAUM
Foreign Editor, *Chicago Times*

LOUIS GOTTSCHALK
Professor of Modern History, University of Chicago

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SUGGESTED READINGS

FARAGO, LADISLAS, "No Nazi Revolt in the Desert," *Asia*, April, 1940.

FULANO, FERNANDO, "The Fifth Column," *Living Age*, November, 1937.

JOESTEN, JOACHIM, *Rats in the Larder*. New York: Putnam's Sons, 1939.

OLBERG, PAUL, "Scandinavia and the Nazis," *Contemporary Review*, July, 1939.

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